

**INDIANA  
PUBLIC EMPLOYEES' RETIREMENT FUND (PERF)**

**REQUEST FOR PROPOSAL (RFP)  
for  
TRANSITION MANAGEMENT MANAGER**

**Inquiry Due Date: February 6, 2004, 3:00 p.m., E.S.T.**

**Response Due Date: February 20, 2004, 3:00 p.m., E.S.T.**

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## SECTION ONE GENERAL INFORMATION

### 1.1 INTRODUCTION

The Indiana Public Employees' Retirement Fund ("PERF") is soliciting Proposals from all qualified companies interested in providing investment transition management services on an as required basis.

Through this RFP process, PERF intends to select one or more transition management managers, thereby creating a pre-approved transition manager pool. Selected managers would be under contract for a five-year term ("Contract Period") subject to the terms and conditions of an Optional-Use Contract. As the need for transition management services arises during the Contract Period, PERF will issue to the pre-approved managers a Service Request Letter describing a specific proposed transition management assignment. After reviewing the responses to the Service Request Letter, PERF will engage the selected manager(s) for performance of that specific assignment.

As described above, the result of this RFP process will be the awarding of Optional-Use Contracts with one or more firms to create the transition manager pool. Please note that Optional-Use Contracts do not include compensation or a guarantee of compensation. Compensation is available through award of a Contract for Services ("Contract").

The potential range of desired transition management services is broad, but the specific magnitude, frequency, and character of such transitions are unknown at the current time. PERF's transition management needs may include assistance in portfolio liquidation, asset allocation shifts, portfolio rebalancing, and other pertinent restructuring requirements of designated investment portfolios. PERF considers transition management to be a short-term asset management assignment of a fiduciary nature that requires prudence and investment discretion.

PERF is a non-profit, quasi-state agency of the state of Indiana that was created on July 1, 1945, with the passage of the Public Employees' Retirement Act. PERF's purpose is to provide retirement, disability, and survivor benefits to full-time employees of the state of Indiana and full-time employees of those political subdivisions that elect to participate in PERF. The total asset value of PERF as of September 30, 2003, was \$10.1 billion.

### 1.2 DEFINITIONS AND ABBREVIATIONS

Following are explanations of terms and abbreviations appearing throughout this RFP. Other special terms may be used in the RFP, but they are defined where they appear, rather than in the following list.

- "Board" means the Board of Trustees of PERF.
- "IAC" means the Indiana Administrative Code.
- "IC" means the Indiana Code.

- “Optional-Use Contract” means a contract awarded to selected Respondents who, as members of the transition manager pool, will be eligible for compensation under a Contract for Services.
- “PERF” or “Fund” means the Indiana Public Employees' Retirement Fund.
- “Respondent Proposal” means an offer to provide transition management services on an as-needed basis.
- “Respondent” means an offeror who submits a Proposal.
- “Service Request Letter” means an offer to Vendor(s) seeking specific services for a specific transition management project.
- “Services” means work to be performed as specified in this RFP.
- “Vendor” means any successful Respondent selected as one of the approved transition managers under contract to provide services on an as-needed basis.
- “Vendor Proposal” means any offer made in response to a Service Request Letter to provide services for a specific transition management assignment.

### **1.3 ISSUER**

PERF has issued this RFP in accordance with Indiana statutes governing PERF's administration. The staff of PERF has prepared the content herein. One (1) copy of this RFP may be provided free of charge from PERF, or a copy may be obtained from PERF's website ([www.in.gov/perf](http://www.in.gov/perf)). A nominal fee will be charged for providing additional hard copies.

### **1.4 DUE DATE AND FORMAT FOR PROPOSALS**

All Proposals must be received at the address below no later than February 20, 2004, at 3:00 p.m., E.S.T. Each Respondent must submit one original copy of the Proposal (marked “Original”), one copy in CD ROM format, and three additional copies of the Proposal, including the transmittal letter and other related documentation as required in Sections 4.2 and 4.3 of this RFP. The Proposal must be addressed/delivered to:

William Frayer  
Staff Attorney  
Indiana Public Employees' Retirement Fund  
143 W. Market Street  
Indianapolis, IN 46204

Any Proposal received after the due date will not be considered. Any late Proposals will be returned, unopened, to the Respondent, upon request received within thirty (30) days of the date on which the Proposal is filed with PERF.

### **1.5 MODIFICATION OR WITHDRAWAL OF OFFERS**

Responses to this RFP may be modified or withdrawn in writing or by fax notice received prior to the date specified for receipt of Respondent Proposals. The Respondent's authorized representative may

also withdraw the Respondent Proposal in person, providing his or her identity is made known and he or she signs a receipt for the Proposal. Respondent Proposals may not be withdrawn after the Proposal due date has passed.

Modification to or withdrawal of a Respondent Proposal received after the date specified for receipt of Proposals will not be considered. If it becomes necessary to revise any part of this RFP or if additional data is necessary for an exact interpretation of provisions of this RFP prior to the due date for Respondent Proposals, a supplement will be posted by PERF on its website ([www.in.gov/perf](http://www.in.gov/perf)). If such addenda issuance is necessary, PERF reserves the right to extend the due date of Respondent Proposals to accommodate such interpretations or additional data requirements.

## 1.6 SUBCONTRACTING

Although PERF anticipates that any Respondent submitting a Respondent Proposal will provide the major portion of the services requested, subcontracting by a Respondent is acceptable in performing the requirements of this RFP. However, the Respondent must obtain the approval of PERF before subcontracting any portion of the requirements of this RFP or services under the Contract. The Respondent is responsible for the performance of any obligations that may result from this RFP and shall not be relieved by the non-performance of any subcontractor. Any Respondent's Proposal must identify all subcontractors and outline the contractual relationship between the Respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each Respondent Proposal.

Any subcontracts entered into by the Respondent must be in compliance with all state of Indiana statutes and be subject to the provisions thereof. For each portion of the proposed services to be provided by a subcontractor, the technical Respondent Proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience.

The combined qualifications and experience of the Respondent and any or all subcontractors will be considered in PERF's evaluation. The Respondent must furnish information to PERF as to the amount of the subcontract, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by PERF. All subcontracts held by the Respondent must be made available upon request for inspection and examination by appropriate PERF officials and such relationships must meet with the approval of the PERF.

## 1.7 CONFIDENTIAL INFORMATION

**Respondents are advised that materials contained in Proposals are subject to the Indiana Public Records Act, IC 5-14-3 et seq., and, after the contract award, may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the Indiana Public Records Act must place all confidential documents (including the requisite number of copies) in a sealed envelope clearly marked "Confidential" and must indicate in the transmittal letter and on the outside of that envelope that confidential materials are included. The Respondent must also specify which statutory exception provision applies. PERF reserves the right to make determinations of confidentiality. If PERF does not agree that the information designated is confidential under one of the disclosure exceptions to the Indiana Public Records Act, it may either reject the Proposal or discuss its interpretation of the allowable exceptions with the Respondent. If agreement can be reached, the Proposal will be considered. If agreement cannot be reached,**

**PERF will remove the Proposal from consideration for award and return the Proposal to the Respondent. PERF will not determine prices to be confidential information.**

## **1.8 RFP RESPONSE COSTS**

PERF accepts no obligations for costs incurred by Respondents in anticipation of being awarded an Optional-Use Contract or Contract for Services.

## **1.9 PROPOSAL LIFE**

Proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the due date for Proposals. Any Proposal accepted by PERF for the purpose of contract negotiations shall remain valid until superseded by a contract or until rejected by PERF.

## **1.10 TAXES**

PERF is exempt from federal, state, and local taxes. PERF will not be responsible for any taxes levied on a Respondent or Vendor as a result of any contract resulting from this RFP.

## **1.11 SECRETARY OF STATE REGISTRATION**

Before an out-of-state Respondent can do business with PERF, the Respondent must be registered with the Indiana Secretary of State. If an out-of-state Respondent does not have such registration at present, the Respondent should contact

Secretary of State of Indiana  
Corporation Division  
402 West Washington Street, E018  
Indianapolis, IN 46204  
(317) 232-6576

for the necessary application form. It is each Respondent's responsibility to register prior to the initiation of any contract discussions.

## **1.12 DISCUSSION FORMAT**

PERF reserves the right to conduct discussions, either oral or written, with those Respondents determined by PERF to be reasonably viable to being selected for award. PERF also reserves the right to conduct clarifications to resolve minor issues.

## **1.13 SUMMARY OF MILESTONES**

The following is the expected timeline for this RFP.

| <u>ACTIVITY</u>                  | <u>COMPLETION DATE</u> |
|----------------------------------|------------------------|
| RFP published/released           | January 26, 2004       |
| Respondent's inquiry period ends | February 6, 2004       |
| Proposal submission date         | February 20, 2004      |
| Proposal evaluations             | February/March 2004    |
| Selection of Vendor(s)           | February/March 2004    |
| Notify selected Vendor(s)        | March 2004             |
| Optional-Use Contract execution  | March 2004             |
| Contract for Services execution  | As needed              |

## **SECTION TWO PROPOSAL PROCEDURES**

### **2.1 CONTACTS**

Inquiries are not to be directed to any staff or Board member of PERF, except as outlined in Section 2.3. Such unauthorized communication(s) may disqualify Respondent from further consideration. The Fund reserves the right to discuss any part of any response for the purpose of clarification. Respondents will

be given equal access to any communications with regard to the RFP that occur between the Fund and other Respondents.

## **2.2 PRE-PROPOSAL CONFERENCE**

It is the decision of PERF that no pre-Proposal conference is required for this RFP.

## **2.3 INQUIRIES ABOUT THE RFP**

All inquiries and requests for information regarding this RFP must be submitted in writing by e-mail to:

William Frayer  
Staff Attorney  
[wfrayer@perf.state.in.us](mailto:wfrayer@perf.state.in.us)

no later than February 6, 2004, by 3:00 p.m. Eastern Time. PERF reserves the right to judge whether any questions should be answered in writing. Copies of such written responses will be distributed to all prospective Respondents who are known to have received a copy of the original RFP.

## **2.4 RESPONDENT SITE VISITS**

PERF may request a site visit to a Respondent's working support center to aid in the evaluation of the Respondent's Proposal.

## **2.5 CONTRACT AWARD**

Based on the results of this process, the qualifying Proposal(s) determined to be the most advantageous to PERF, taking into account all of the evaluation factors, may be selected by PERF. Selected Respondents will be offered inclusion in the approved transition manager pool through signature of an Optional-Use Contract. If, however, PERF decides that no Proposal is sufficiently advantageous to PERF, PERF may take whatever further action is deemed best in its sole discretion, including making no contract award. If, for any reason, a Proposal is selected and it is not possible to consummate a contract with the Respondent, PERF may begin contract preparation with the next qualified Respondent or determine that it does not wish to award a contract pursuant to this RFP.

PERF reserves the right to reject any or all Proposals received, or to award, without discussions or clarifications, a contract on the basis of Proposals received. Therefore, each Proposal should contain the Respondent's best terms from a price and technical standpoint.

# **SECTION THREE LENGTH OF CONTRACT AND PRICING**

## **3.1 LENGTH OF OPTIONAL-USE CONTRACT**

The term of the Optional-Use Contract entered into under this RFP, also referred to as the Contract Period, shall be for a period of five (5) years, beginning on or about March 15, 2004 (or from date of



final execution of the Optional-Use Contract), and ending on the last day of the 60<sup>th</sup> month of the Contract Period. There may be annual renewals at PERF's option.

### **3.2 PRICING**

There is no set level of compensation attributable under this RFP or Optional-Use Contract. Compensation for transition services under a Contract for Services resulting under this RFP shall be subject to the fees set forth in the selected transition manager's Respondent Proposal and subsequent Vendor Proposal. The fee schedule provided in such Proposals will be the basis for establishing compensation for each Service Request Letter. It is recognized that each transition assignment will vary by the nature of the work required. However, once the Vendor for each transition project is selected, the fee may be further negotiated. The total compensation negotiated for a project assignment shall not exceed those fees set forth in the transition manager's Respondent Proposal or Vendor Proposal.

### **3.3 FEE SCHEDULE**

Please note that PERF may select multiple transition managers to comprise its pre-approved transition manager pool. Selected managers will assume the roles of fiduciary and investment manager, and will be under contract for a period of five years. PERF recognizes that the fees associated with an individual transition management assignment may vary based on the nature of the transition, its size, and complexity. Nonetheless, PERF requires that Respondents provide a specific fee schedule that may be utilized to determine which Respondent may be most cost effective for a particular transition assignment.

## **SECTION FOUR PROPOSAL PREPARATION INSTRUCTIONS**

### **4.1 GENERAL**

To facilitate the timely evaluation of Respondent Proposals, a standard format for Respondent Proposal submission has been developed and is documented in this section. All Respondents are required to format their Proposals in a manner consistent with the guidelines described below:

- Each item required under this Section Four must be addressed /included in the Respondent Proposal or such Proposal may be rejected.
- The Transmittal Letter should be in the form of a letter. The Business Proposal must be organized under the specific section titles as listed below.
- PERF may, at its option, allow all Respondents a five-calendar-day period to correct errors or omissions to their Respondent Proposals. Should this necessity arise, PERF will contact each Respondent affected. Each Respondent must submit written corrections to the Respondent Proposal within five calendar days of notification. The intent of this option is to allow Proposals with only minor errors or omissions to be corrected. Major errors or omissions, such as the failure to include prices, will not be considered by PERF as a minor error or omission and may result in disqualification of the Respondent Proposal from further evaluation.
- Submission of all completed Schedules and Exhibits.

#### **A complete Respondent Proposal will include the following:**

1. Hard copy submission of a Transmittal Letter (with the information described in Section 4.2);
2. Hard copy submission of a Business Proposal (with the information and attachments described in Section 4.3, including hard copy submission of all completed Exhibits attached hereto);
3. Original, three copies, and CD-ROM of entire Respondent Proposal as outlined in Section 1.4.

### **4.2 TRANSMITTAL LETTER**

The Transmittal Letter must address the following topics:

#### **4.2.1 Identification**

The transmittal letter must first identify the RFP.

#### **4.2.2 Summary of Ability and Desire to Supply the Required Services**

The transmittal letter must briefly summarize the Respondent's ability to supply the requested services. The letter must also contain a statement indicating the Respondent's willingness to provide the requested services subject to the terms and conditions set forth

in the RFP including, but not limited to, PERF's standard Contract for Services provisions.

#### 4.2.3 Signature of Authorized Representative

A person authorized to commit the Respondent to its representations must sign the transmittal letter. Respondent personnel signing the Transmittal Letter of the Respondent Proposal must be legally authorized by the organization to commit the organization contractually. This section must contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement.

#### 4.2.4 Other Information

Any other information the Respondent may wish to briefly summarize will be acceptable.

### 4.3 BUSINESS PROPOSAL

The Business Proposal component of the Respondent Proposal must contain the following items:

#### 4.3.1 Ability to perform services as provided in Exhibit A, Statement of Work

Respondent should detail and demonstrate its ability to meet the requirements set forth in Exhibit A, Statement of Work.

#### 4.3.2 Completion of and signature (where necessary) on Exhibits B through E

#### 4.3.3 Respondent Contract Requirements

Exhibit F is a sample base Contract that will be used if an award is made for specific as-needed assignments. If the Respondent wishes to include or change any language in the sample Contract, proposed language should be included in this section, in the form of an amendment to the sample Contract.

#### 4.3.4 References

The Respondent should include a list of at least three (3) clients for whom the Respondent has provided products and services that are the same or similar to those products and services requested in this RFP. Any state government or pension fund for which the Respondent has provided these products and services should be included. Clients with locations near Indianapolis should also be identified, as site visits may be arranged. Information provided should include the name, address, and telephone number of the client facility and the name, title, e-mail address, and phone/fax numbers of a person who may be contacted for further information.

#### 4.3.5 Registration to do Business

Respondents proposing to provide services required by this RFP are required to be registered to do business within the state by the Indiana Secretary of State. The address contact information for this office may be found in Section 1.11 of this RFP. This process must be concluded prior to contract negotiations with PERF. It is the successful Respondent's responsibility to complete the required registration with the Secretary of State. The Respondent must indicate the status of registration, if applicable, in this section of the Respondent Proposal.

#### 4.3.6 Subcontractors

The Respondent must list any subcontractors that Respondent proposes to use in providing the required services. The subcontractor's responsibilities under the Respondent Proposal, the subcontractor's form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the Proposal.

#### 4.3.7 Financial Statements

This section must include the Respondent's financial statements, including an income statement and balance sheet for each of the two most recently completed fiscal years.

#### 4.3.8 Minority Business Development

The contract goal is that at least five percent (5%) of state contracts be with minority and women business enterprises as defined in IC 4-13-16.5. This goal is established under in IC 4-13-16.5-2 (f) (7). It is the intent of the Fund to meet or exceed the 5% minority and women's business enterprise participation goal.

Participation does not need to be only through subcontractors, but can also be through second-tier participation with common suppliers (office supplies, courier services, accounting services, janitorial services, etc.). Include only the proportion of those contracts that pertain to the bid being submitted.

Are you a minority business enterprise vendor? YES \_\_\_\_\_ NO \_\_\_\_\_

If you are not a minority business enterprise vendor, is there any minority business enterprise participation in this project through subcontractors or suppliers? YES \_\_\_\_\_ NO \_\_\_\_\_

If yes, what percentage of the total amount is being accomplished by minority or women's business enterprises? \_\_\_\_\_%

## SECTION FIVE

## **PROPOSAL EVALUATION**

### **5.1 SELECTION CRITERIA**

The following general selection criteria, in addition to the mandatory minimum qualifications listed in Exhibit D, will be considered in awarding Optional-Use Contracts and/or Contracts for Services:

- Ability to provide transition services for a number of different mandates;
- Ability and technical capability to ensure best price and execution of different mandates;
- Ability to provide a pre-trade estimate of costs and tentative schedule of events;
- Consistent method for estimating pre-trade costs;
- Historical accuracy of pre-trade estimates;
- Ability to work with legacy and target investment managers;
- Ability to provide timely and useful client communications throughout process;
- Detailed and timely reporting of total explicit (management fees, commissions, and taxes) and implicit costs (aggregate result of timing, spreads, market impact, and currency exchange), as well as the ability to compare pre-trade estimates to actual trade results;
- No significant organizational changes with limited staff turnover, over the past 2 years;
- Consistent methodology to schedule, manage, and perform transition engagements;
- Broad transition experience, which may include internal trading, crossing transactions, agency trading, principal trading, use of derivatives, currency management, and maintenance of market exposure;
- Transition services model designed to minimize potential conflicts of interest;
- Rigorous methodology to manage and address conflict of interest issues;
- Demonstrated commitment to the transition business, as evidenced by a business strategy that involves continued development of systems and services;
- Demonstrated commitment to process-oriented methodology (e.g., to peer review and defined procedures versus ad hoc teams and/or processes that introduce risk);
- Maintains systems to ensure confidentiality of transactions;
- Experience with sizeable transitions for other public plans;
- Experience with numerous custodians and asset managers;
- Experienced and responsive client service, with one point of contact;
- Reasonable fees for services rendered;
- Financial capability and stability certification;
- Proof of liability insurance;
- Proof that Respondent is an equal opportunity employer;
- Proof of employee bond insurance;
- A list of customer references;

- A list of back-up equipment, facilities, procedures and policies, including a disaster recovery plan; and
- Name(s) and telephone number(s) of critical contact person(s).

## **5.2 EVALUATION**

PERF has selected a group of qualified personnel to act as an evaluation team. The procedure for evaluating the responses against the selection criteria will be as follows:

Respondent Proposals will be evaluated based upon the proven ability of the Respondent to satisfy the requirements in an efficient, cost-effective manner, taking into account quality of service with minimal tolerance for error. Successful Respondents will be able to satisfy all of the requirements set forth in Subsection 5.1, all Exhibits attached hereto, and all other requirements that appear throughout this RFP.

Based on the results of the evaluation, the Proposal(s) determined to be most advantageous to PERF, taking into account all of the evaluation factors, may be selected by PERF for further action. In addition, the evaluation team will consider other factors they believe to be material for this selection.

All Respondent Proposals will be reviewed by representatives of PERF. During the evaluation process, PERF reserves the right to contact references. It is possible that finalists will be interviewed by persons participating in the selection process.

PERF seeks to retain the highest quality organization to provide transition management services in an open, fair, and competitive process. Through the selection process, PERF reserves its sole discretion in awarding Optional-Use Contracts. PERF further reserves the right: (i) not to select any Respondent Proposal; (ii) to select any portion of a particular Respondent Proposal for further consideration; (iii) to accept a Respondent Proposal other than the lowest cost Respondent Proposal submitted; or (iv) to reject any and all proposals received if such action is considered by PERF in its sole discretion to be in the best interests of PERF.

# **INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND**

## **REQUEST FOR PROPOSAL (RFP)**

### **FOR**

### **TRANSITION MANAGEMENT MANAGER**

#### **EXHIBIT A** **STATEMENT OF WORK**

The scope of this assignment is to provide transition management services for PERF. PERF considers transition management as a short-term asset management assignment of a fiduciary nature that requires prudence and investment discretion.

Work will be assigned to a Vendor under that firm's Optional-Use Contract and Contract for Services in a manner consistent with the terms of both documents. The scope of each discrete assignment or project will depend upon the particular matter with which PERF requests transition assistance.

As projects arise, PERF will issue a Service Request Letter to Vendor(s) seeking services for a specific project. The Service Request Letter will clearly delineate the scope of the project, the project timeline, and required appearances, if any, before a PERF Committee and/or the Board. A Contract for Services to engage services will be awarded based on the Vendor's Proposal to the Service Request Letter, expertise and experience, availability, and cost.

Potential range of desired transition management services is broad but the specific magnitude, frequency and character of such transitions is unknown at the current time, therefore, services to be provided may include, but are not limited to, the following.

#### **SERVICES TO BE PROVIDED**

- 1) Transition management (portfolio liquidation) services from the legacy portfolio(s) to the target portfolio(s) due to fund manager reorganization (termination and funding), portfolio rebalancing, asset allocation shifts, and cash infusion/asset flow requirements. The transition and liquidation may encompass multiple asset classes and multiple managers across all capitalization range.
- 2) The transition manager shall act as a fiduciary investment manager and shall perform the transition with utmost care and prudence. PERF realizes that markets fluctuate and risks are inherent during the transition period. However, market forces do not absolve the transition manager from negligence and applying the highest level of care and prudence inherent in a fiduciary assignment.
- 3) Minimize tracking error, maintain asset class (benchmark) exposure and specified asset allocation target as appropriate for each assignment. During the transition period, the preservation of capital shall be taken into consideration through the expert use of all liquidity sources, trading, in-kind transfer of the legacy portfolios for the target portfolios, internal and external crossing networks, cash, futures, ETFs, and all the tools required to accomplish a smooth and cost-effective transition.
- 4) Before the transition, the transition manager shall provide PERF a written portfolio transition

(liquidation) strategy, including the timeframe required, to achieve the desired objective of liquidating the legacy portfolio(s) and building (and/or funding) the target portfolio(s).

- 5) Daily reporting of all trade activity, via the Internet, from commencement of the liquidation to the completion and full funding of the target portfolios.
- 6) After the completion of the transition, the transition manager shall provide PERF with a report on the outcome and results of the transition. The report shall include relevant statistics (e.g., tracking error, implementation shortfall, costs, VWAPs.) and full trading/transaction reports in a format defined prior to the assignment and accepted by PERF.
- 7) Coordination of the firm's trading activity with investment managers (both legacy and target portfolios) and the custodial bank.
- 8) The transition manager shall carry appropriate coverage for errors and omissions and professional liability insurance.



**INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND**

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**FOR**

**TRANSITION MANAGEMENT MANAGER**

**EXHIBIT B**  
**FEE SCHEDULE**

Please note that PERF may select multiple transition managers to comprise its pre-approved transition manager pool. These Vendors will assume the roles of fiduciary and investment manager, and will be under contract for a period of five years. PERF recognizes that the fees associated with an individual transition management assignment may vary based on the nature of the transition, its size, and complexity. Nonetheless, PERF requires that Vendors provide a specific fee schedule that may be utilized to determine which Vendor may be most cost effective for a particular transition assignment.

- A. What is your customary fee or rate for transition services within the context of what PERF is trying to implement and accomplish?
- B. Is the fee based on cents per share and as a percentage of market value? What factors do you use to calculate your rate-trading volume, frequency of trades, and trade difficulty?
- C. Is the fee negotiable? Would this include both equity (domestic and international) and fixed-income transactions?
- D. Please provide a specific fee schedule to be utilized during the contract period.
- E. In order to understand your fee structure, please describe how you would price different types of transitions. For the following scenarios, please provide appropriate fee calculations and identify all variables impacting your cost structure (e.g., including the use of crossing, derivatives instruments to manage tracking error and asset allocation, open market trades, foreign exchange execution). You are given all the latitude to set assumptions within the basic premise of each scenario listed below. Please be sure to describe each assumption utilized that might affect your fee illustration.

**Scenario 1:** Portfolio transition of five (5) active international managers to four (4) new active international managers. Assume a market value of \$1 billion.

**Scenario 2:** Portfolio transition of a Government/Credit bond portfolio to two (2) actively managed Government/Credit bond portfolios. Assume a market value of \$500 million.

**Scenario 3:** Portfolio transition of two (2) commingled emerging markets portfolios to a passive developed markets international index portfolio. Assume a market value of \$1 billion.

- F. Please disclose any and all sources of compensation and/or cost reductions to your firm that reasonably could be anticipated as a result of receiving an Optional-Use Contract or Contract for Services.

**INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND**

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**FOR**  
**TRANSITION MANAGEMENT MANAGER**

**EXHIBIT C**  
**CERTIFICATIONS AND ASSURANCES**

Respondent makes the following certifications and assurances as a required element of the Respondent Proposal to which this document is included, understanding that the truthfulness of the facts affirmed herein and the continuing compliance with these requirements are conditions precedent to the award and continuation of an Optional-Use Contract resulting from this RFP. Any exceptions to these Certifications and Assurances must be described in full detail on a separate page(s) and attached to this document. PERF reserves the right to determine if such exception is substantive and a basis for disqualification.

1) Independent Preparation and Cost Determination

- A. Prices and/or cost data have been arrived at independently, without consultation, communications, or agreement with any other Respondent or with any competitor for the purpose of restricting competition.
- B. Unless otherwise required by law, the prices and/or cost data submitted have not knowingly been disclosed by the Respondent and will not knowingly be disclosed by the Respondent(s), prior to award, directly or indirectly to any other Respondent to any competitor.
- C. No attempt has been made or will be made by the Respondent to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

**Note:** In order to ensure fair and equal competition between all Respondents, the development of Respondent Proposals with the assistance of organizations or individuals outside the Respondent's organization must be declared in the proposal and the name(s) of such organizations or individuals provided. Failure to acknowledge such assistance and to identify those providing it may result in the disqualification of the Proposal. No contingent fees for such assistance will be allowed to be paid under any Optional-Use Contract or Contract for Services resulting from the RFP. However, the Respondent may freely join with other persons or organizations for the purpose of presenting a single Respondent Proposal.

2) Price Warrant

The costs quoted for services in response to the RFP do not exceed those charged any other client for the same services.

3) Respondent Proposal Evaluation Period

The attached Respondent Proposal is a firm offer for a period of 180 days following receipt by PERF and may be accepted by PERF without further negotiation at any time within the 180-day period.

4)      Contacting References

PERF is hereby granted permission to contact any references provided in response to the RFP.

5)      Acceptance of Contract Terms

The Respondent, by submission of a response to this RFP, is willing to enter into an Optional-Use Contract with PERF, provided that successful negotiation of all terms and conditions are agreed upon.

The person signing below warrants that all of the foregoing certifications and assurances are true to the best of his knowledge after all reasonable efforts to obtain the truth.

Company: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND**

**REQUEST FOR PROPOSAL**

**FOR**

**TRANSITION MANAGEMENT MANAGER**

**EXHIBIT D**  
**MANDATORY MINIMUM QUALIFICATIONS COMPLIANCE CERTIFICATE**

Unless otherwise specified, as of the Response Due Date, Respondents must satisfy all of the requirements outlined below and furnish appropriate documentation accordingly in order to be considered for an Optional-Use Contract award:

- A. Must have an equity capitalization in excess of \$50,000,000;
- B. Must be a Broker/Dealer registered with the Securities and Exchange Commission;
- C. Must have at least 10 dedicated global transition management professionals;
- D. Must have a minimum of 5 years experience in providing transition management services to Institutional Investors for multiple asset classes: Domestic Equities (all capitalization range), US and Non- US Fixed Income, International Equities and Emerging Markets, including Foreign Exchange;
- E. Must have completed a minimum of \$40 billion per year in transition activity over the last three years;
- F. Must have completed at least 100 Domestic Equity, 35 Domestic Fixed Income, and 35 International Equity & Fixed Income transitions over the last 5 years;
- G. Must have completed 25 transitions greater than \$750 million over the last five years;
- H. Must have the ability to trade on an agency basis;
- I. Must have the appropriate coverage for errors & omissions and professional liability insurance; and
- J. Must be willing to accept an Optional-Use Contract and, if requested by PERF, a Contract for Services. Must be willing to act as a fiduciary when performing transition management assignments.

It is understood that failure to sign and return this statement and accompanying documentation with the response to the RFP will render the Respondent Proposal invalid.

Company: \_\_\_\_\_ Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND**  
**REQUEST FOR PROPOSAL (RFP)**  
**FOR**

## TRANSITION MANAGEMENT MANAGER

### EXHIBIT E QUESTIONNAIRE

The following questionnaire must be completed and included with your Respondent Proposal. The questionnaire has been prepared to obtain responses relative to the Respondent's capability to provide all services required to successfully perform transition management services.

#### **1) Respondent Information**

- A. A general description of the firm, primary business, capital position and other description information.
- B. Date the firm began providing transition management (portfolio liquidation) services.
- C. Has your firm acted in a fiduciary capacity with discretionary authority performing transition management assignments for other clients?
- D. How is your firm structured to provide transition management and why this is beneficial to PERF? Please specify and discuss all that apply, including brokerage affiliate, stand alone agency, introducing broker, asset (index) management affiliate, custody affiliate, consulting affiliate, principal only.
- E. Is transition management performed on an agency or principal basis or both? Please describe.
- F. Is transition management separate and distinct from your program trading arm? Please explain.
- G. Do you subcontract the transition management to a third party? If so, please describe the extent of the relationship and contractual arrangement?
- H. Does the firm clear and execute through another firm(s) or in-house? If other firms are used, provide names.
- I. Is your organization a specialist in any specific asset class (i.e., Domestic Large Cap, Mid to Small Cap, Fixed-Income, International Equities)?
- J. Are there any asset classes or markets in which your firm cannot provide transition management services?
- K. Please provide names, brief profiles and biographies of individuals who are dedicated and responsible for transition management services, including trading, client servicing, marketing.
- L. Do you have a risk and compliance team that monitors the transition process? Please describe your risk and compliance process.
- M. What electronic trading systems does your firm utilize? Do you have your own proprietary tools or systems that you utilize for transitions? Please describe.

- N. Describe the process that would be required to establish transition management with your firm. Are you able to contract with PERF as part of a pool of transition specialists, wherein actual assets to be transitioned (or liquidated) are unknown.
- O. Disclosure of any sanctions and/or discipline by the SEC, NASD, or other regulatory body within the last five years.
- P. Disclosure of any legal claims or arbitration hearings involving your firm within the last five years.
- Q. Please describe the levels (dollar amounts) of coverage of SEC required fidelity bonds, errors, and omission coverage. Please describe any other insurance coverage your firm has to indemnify clients against losses.
- R. Have you ever made a client whole since the inception of your transition management program? Explain the reasons for such occurrence and what are the limits or extent of such indemnification or guarantees?

**2) Client Base Information**

- A. Total number of transitions your firm has performed over the last five years and the corresponding volume and market value.
- B. Total number of transition management mandates completed over the last three years ending November 30, 2003.
- C. Total number of transition management assignments completed on an asset class basis over the last five years ending November 30, 2003.
- D. Total number of public pension fund clients that you completed transition over the last five years ending November 30, 2003. Please specify name and actual portfolio mandates and corresponding market value of assets.
- E. Provide a minimum of three (3) public pension fund clients for references. Include name and phone number of primary contact.

**3) Transition Management**

- A. Please describe your firm's philosophy and the extent of your transition capabilities and distinct competitive advantages.
- B. How do you manage the risk factors and costs associated with transitions?
- C. For each asset class (i.e. Domestic Equities, Fixed Income and International), please describe how you manage the two following specific areas: financial risks (i.e., poor execution, implementation shortfall, timing, market impact, and asset allocation exposure), and operational risks (i.e., incorrect order execution, delivery failures and custody interface).
- D. What benchmarks do you prefer to measure the performance of any transition activity? Please enumerate and describe all appropriate benchmarks, including proprietary

measurement hurdles.

- E. How does the firm monitor tracking error during the transition period and how is it minimized? Provide sample calculations, including optimization techniques and utilization of derivatives or the actual cash markets.

**4) Reporting**

- A. Can you provide PERF with a written portfolio transition (liquidation) strategy, including the timeframe required, to achieve the desired objective of liquidating the legacy portfolio(s) and building (and/or funding) the target portfolio(s)? If so, please provide a complete set of sample reports that you customarily provide clients.
- B. Are you able to provide on-line or Internet reporting (on a daily basis, real time) access to clients and/or managers to view activity during the transition period? Please describe.
- C. If on-line reporting via the Internet is available, can PERF "test drive" the application by using a temporary user ID and password? If this is not available, please provide a demo DVD or CD-ROM.
- D. How do you measure your effectiveness after the transition? Please describe and provide your measurement methodologies accordingly for Pre, Actual and Post Transition Activity. Provide a complete set of sample reports.
- E. Has your reporting system (and actual reports) for transition services been subject to review by an independent party? If so, please describe and provide sample reports that such independent audit or analyses are in place.

**EXHIBIT F  
CONTRACT FOR SERVICES**

This contract is between the Public Employees' Retirement Fund (hereinafter referred to as "Fund"), whose offices are located at 143 West Market Street, Indianapolis, Indiana 46204, and \_\_\_\_\_ (hereinafter referred to as "Contractor"), whose principal place of business is located at \_\_\_\_\_.

WHEREAS, the Fund desires to contract for services in the area of transition management services; and

WHEREAS, Contractor is willing to provide such services;



NOW, THEREFORE, the above-named parties enter into this contract upon the following terms and conditions:

1. Duties of Contractor

The Contractor shall provide the following services relative to this contract: See Attachment A, Scope of Services, incorporated by reference.

2. Consideration

The Contractor will be paid at the rate of: See Attachment B, Schedule of Fees, incorporated by reference.

3. Term

This contract shall be for a period of not more than one year with the option to renew annually for a total time period not to exceed three years. It shall commence \_\_\_\_\_ (or from date of final execution), and shall terminate on \_\_\_\_\_. There may be two renewal periods of one year, each at PERF's option to renew.

4. Independent Contractor

Both parties hereto, in the performance of this contract, will be acting in an individual capacity and not as agents, employees, partners, joint venturers or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever. Neither party will assume any liability for any injury (including death) to any persons, or any damage to any property arising out of the acts or omissions of the agents, employees or subcontractors of the other party.

The Contractor shall be responsible for providing all necessary unemployment and worker's compensation insurance for the Contractor's employees.

5. Work Standards

The Contractor agrees to execute its respective responsibilities by following and applying at all times the highest professional and technical guidelines and standards. If the Fund becomes dissatisfied with the work product or the working relationship with those individuals assigned to work on this Contract, the Fund may request in writing the replacement of any or all such individuals.

6. Contract Confidentiality of Fund Information

The Contractor understands and agrees that data, materials, and information disclosed to Contractor may contain confidential and protected data; therefore, the Contractor promises and assures that data, material, and information gathered, based upon or disclosed to the Contractor for the purpose of this contract, will not be disclosed to others or discussed with other parties without the prior written consent of the Fund.

7. Confidentiality of Data, Property Rights in Products, and Copyright Prohibition

The Contractor further agrees that all information, data, findings, recommendations, Proposals, etc., by whatever name described and by whatever form therein, secured, developed, written or produced by the Contractor in furtherance of this contract shall be the property of the Fund and that the Contractor shall take such action as is necessary under law to preserve such property rights in and of the Fund while such property is within the control and/or custody of the Contractor. By this contract the Contractor specifically waives and/or releases to the Fund any cognizable property right of the Contractor to copyright, license, patent or otherwise use such information, data, findings, recommendations, Proposals, etc. Notwithstanding the foregoing, the Fund agrees that any proprietary research performed by the Contractor shall not be the property of the Fund.

#### 8. Ownership of Documents and Materials

All documents, records, programs, data, film, tape, articles, memos, and other materials developed under this contract shall be considered "work for hire" and the Contractor transfers any ownership claim to the Fund and all such matters will be the property of the Fund. Use of these materials, other than related to contract performance by the Contractor, without the prior written consent of the Fund is prohibited. During the performance of the services, specified herein, the Contractor shall be responsible for any loss or damage to these materials developed for or supplied by the Fund and used to develop or assist in the services provided herein, while they are in the possession of the Contractor and any loss or damage thereto shall be restored at the Contractor's expense. Full, immediate, and unrestricted access to the work product of the Contractor during the term of this contract shall be available to the Fund. Notwithstanding the foregoing, the Fund agrees that any proprietary research performed by the Contractor and the investment portfolio process employed by the Contractor shall not be the property of the Fund.

#### 9. Reports

The Contractor shall submit reports to the Fund upon request, and no event less than as of each month end. The report shall be written. The report shall be in a form agreed to between the Fund and Contractor.

At Fund's request and at mutually agreed upon times, Contractor shall meet with the Fund to review Contractor's performance. Contractor shall be available to answer questions by Fund staff and Board members from time to time as needed without additional charge.

#### 10. Audit Settlement

If an error is discovered as a result of an audit performed by Contractor or Fund, Contractor shall use its best efforts to promptly correct such error or to cause the appropriate party to correct such error.

#### 11. Access to Records

The Contractor and his subcontractors shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the cost incurred and shall make such materials available at their respective offices at all reasonable times during the contract period and for seven (7) years from the date of final payment under the contract, for inspection by

the Fund or by any other authorized representative of the Fund and copies thereof shall be furnished at no cost to the Fund if requested.

Upon execution of this Agreement, Fund will provide Contractor with a list of Authorized Persons who will be permitted to advise, inform and direct Contractor on Fund's behalf, together with signature specimens of certain Authorized Persons who may execute specific tasks under this Agreement. The list of Authorized Persons and any changes to such list shall be made in writing to Contractor and signed by Fund's Director or the Director's designee. Until notified of any such change, Contractor may rely on and act upon instructions and notices received from an Authorized Person identified on the then-current list furnished by Fund.

All Authorized Instructions shall be in writing and transmitted by first class mail, private express courier, facsimile, or other authenticated electronic transmissions; *provided, however*, that Contractor may, in its discretion, accept verbal Authorized Instructions subject to written confirmation of same from such Authorized Person. Such Authorized Instructions shall bind Contractor upon receipt. If Contractor receives instructions or notices from a source other than an Authorized Person, Contractor shall not comply with them and shall immediately notify Fund's Executive Director in writing of such unauthorized instructions or notices. The Contractor is authorized and shall exercise its discretion in extraordinary situations when communications with an Authorized Person cannot be achieved to proceed with the disposal of securities to prevent exceptional loss of value to Fund.

#### 12. Assignment

The Contractor shall not assign or subcontract the whole or any part of this contract without the Fund's prior written consent, except that the Contractor may assign its right to receive payments to such third parties as the Contractor may desire without the prior written consent of the Fund, provided that Contractor gives written notice (including evidence of such assignment) to the Fund thirty (30) days in advance of any payment so assigned. Assignment shall cover all unpaid amounts under this contract and shall not be made to more than one party.

#### 13. Successors and Assignees

The Contractor binds his successors, executors, administrators, and assignees to all covenants of this contract. Except as above set forth, the Contractor shall not assign, sublet or transfer interest in this contract without the prior written consent of the Fund.

#### 14. Key Person(s)

a. In the event that both parties have designated in an appendix that the individual(s) therein named are essential to the services offered pursuant to this contract, the parties agree that in the event that such individual or individuals are no longer employed during the term of this contract by the Contractor for whatever reason, the Fund shall have the right to terminate this contract, without penalty, upon thirty (30) days prior written notice.

b. In the event that the Contractor is an individual or a closely held corporation (as defined under Indiana law, *see, e.g., Barth v. Barth*, 659 N.E.2d 559, 561, fn.5, [and cited authority therein]), the individual or person on behalf of the corporation responsible for primary contact between the Contractor and the Fund at the commencement of this contract shall be

considered a key person and, as such, essential to the contract. Substitution of another for the Contractor shall not be permitted without express written permission from the Fund.

c. Nothing in subsections a. and b. above should be construed to prevent the Contractor from using the services of others to perform tasks ancillary to those tasks which directly require the expertise of the key person. Examples of such ancillary tasks include secretarial, clerical, and common labor duties. The Contractor shall, at all times, remain responsible for the performance of all necessary tasks, whether performed by a key person or others.

#### 15. Changes in Work

In the event the Fund requires a major change in scope, character or complexity of the work after the work has progressed, adjustments in compensation to the Contractor shall be determined by the Fund in the exercise of its honest and reasonable judgment, and the Contractor shall not commence any additional work or the change of the scope of the work until authorized in writing by the Fund. No claim for additional compensation shall be made in the absence of a prior written approval executed by all signatories hereto.

#### 16. Force Majeure; Suspension and Termination

In the event that either party is unable to perform any of its obligations under this contract or to enjoy any of its benefits because of (or if failure to perform the services is caused by) natural disaster, actions or decrees of governmental bodies or communication line failure not the fault of the affected party (hereinafter referred to as a "Force Majeure Event"), the party who has been so affected shall immediately give notice to the other party and shall do everything possible to resume performance.

#### 17. Renewal Option

This contract may be renewed in the sole discretion of the Fund for up to two extensions, each one year in length, and under the same conditions.

#### 18. Nondiscrimination

Pursuant to IC 22-9-1-10 and Civil Rights Act of 1964, Contractor and its subcontractors, if any, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this contract, with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of his race, color, religion, sex, disability, national origin or ancestry.

Breach of this covenant may be regarded as a material breach of contract. Acceptance of this contract also signifies compliance with applicable Federal laws, regulations, and executive orders prohibiting discrimination in the provision of services based on race, color, national origin, age, sex, disability or status as a veteran.

#### 19. Termination

Notwithstanding anything to the contrary, this contract may be terminated, in whole or in part, by the Fund or the Contractor, for any reason, by delivery of a Termination Notice at least thirty (30) days prior to the termination effective date, specifying the extent to which performance of services under which such termination becomes effective. The Contractor

shall be compensated for services rendered prior to the effective date of termination. The Fund will not be liable for services performed after termination. The Contractor shall be compensated for services herein provided but in no case shall total payment made to Contractor exceed the original contract price due on contract. In no event shall Fund's termination of the Agreement under this Section be deemed a waiver of Fund's right to make a claim against Contractor for damages resulting from any default by Contractor which occurred to the Effective Termination Date. Additionally, pursuant to IC 5-10.3-5-6, the Fund may terminate this contract immediately in the event that the Board, in its sole discretion, considers such action necessary to protect the Fund. In the event this Agreement is terminated by the Board in this manner, Contractor shall not be responsible for any losses incurred as a result of trades that are executed but not settled.

In the event of any termination of this Agreement, all the terms and conditions herein shall continue to apply through the Effective Termination Date and through any period following such date during which Contractor shall continue to perform the services required under this Agreement, in order to complete any transactions pending on the Effective Termination Date and to facilitate an orderly transition to a successor Contractor ("Transition Period"). Such Transition Period shall not exceed thirty (30) days after the Effective Termination Date. The following provisions shall also apply to any termination of this Agreement. If Fund terminates this Agreement, and unless otherwise expressly directed by Fund, Contractor shall take all necessary steps to stop services under this Agreement on the Effective Termination Date.

Upon any termination of this Agreement by Fund and to the extent directed by Fund, Contractor shall continue to serve as a Contractor hereunder at the then-existing compensation level for the duration of the Transition Period. After the additional services have been performed, and the Transition Period is completed, Contractor may seek compensation for the Transition Period at its then-existing compensation level. Contractor shall cooperate with Fund in good faith to effect a smooth and orderly transfer of such services and all applicable records by the Effective Termination Date. Upon termination of this Agreement, Contractor shall retain all Fund Records according to the record retention provisions set forth in the Access to Records Section of this Agreement.

## 20. Taxes

The State of Indiana is exempt from state, federal, and local taxes. The Fund will not be responsible for any taxes levied on the Contractor as a result of this contract.

## 21. Penalties/Interest/Attorney's Fees

The Fund will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest, or attorney's fees, except as required by Indiana law.

## 22. Compliance with Laws

The Contractor agrees to comply with all applicable federal, state and local laws, rules, regulations or ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment of any state or federal statute or the promulgation of regulations thereunder after execution of this contract shall be reviewed by the Fund and the Contractor to determine whether the provisions of the contract require

formal amendment.

#### 23. Governing Laws

This contract shall be construed in accordance with and governed by the laws of the State of Indiana and suit, if any, must be brought in the State of Indiana.

#### 24. Indemnification

Contractor agrees to indemnify, defend, and hold harmless the State of Indiana and its agents, officers, and employees from all claims and suits including court costs, attorney's fees, and other expenses arising from or related to any act of bad faith, negligence, intentional or willful misconduct, breach of fiduciary duty, or any other negligent act or omission of Contractor and/or its agents, if any, in the performance of this contract. The Fund shall not provide such indemnification to Contractor. The parties acknowledge that brokers' or counterparties trade failures or other defaults are not contemplated to be within the scope of this indemnification.

#### 25. Substantial Performance

This contract shall be deemed to have been substantially performed only when fully performed according to its terms and conditions and any modification thereof.

#### 26. Waiver of Rights

No right conferred on either party under this contract shall be deemed waived and no breach of this contract excused, unless such waiver or excuse shall be in writing and signed by the party claimed to have waived such right.

#### 27. Payments

All payment obligations shall be made in arrears in accordance with Indiana law, state fiscal policies and procedures. Payments will be based on deliverables.

#### 28. Disputes

Should any disputes arise with respect to this contract, the Contractor and the Fund agree to act immediately to resolve any such disputes. Time is of the essence in the resolution of disputes.

The Contractor agrees that, the existence of a dispute notwithstanding, it will continue without delay to carry out all its responsibilities under this contract which are not affected by the dispute. Should the Contractor fail to continue without delay to perform its responsibilities under this contract in the accomplishment of all non-disputed work, any additional costs incurred by the Contractor or the Fund as a result of such failure to proceed shall be borne by the Contractor, and the Contractor shall make no claim against the State of Indiana for such costs.

The Fund may withhold payments on disputed items pending resolution of the dispute. The unintentional nonpayment by the Fund to the Contractor of one or more invoices not in dispute in accordance with the terms of this contract will not be cause for Contractor to

terminate this contract, and the Contractor may bring suit to collect without following the dispute procedure contained herein. This section shall not be construed to limit the right of either party to terminate the contract pursuant to the terms of the "Termination" section of the contract.

#### 29. Changes

Contractor shall notify Fund in writing within three (3) business days of any of the following changes: (1) Contractor becomes aware that any of its representations, warranties and covenants set forth herein cease to be materially true at any time during the term of this Agreement; (2) there is any material change in Contractor's senior personnel assigned to perform service under this Agreement; (3) there is any change in control of Contractor; (4) Contractor becomes aware of any other material change in its business management structure or its business organization, including without limitation the filing for bankruptcy relief.

#### 30. Investigations and Complaints.

To the extent permitted by applicable law, Contractor shall promptly advise Fund in writing of any extraordinary investigation, examination, complaint, disciplinary action or other proceeding relating to or affecting Contractor's ability to perform its duties under this Agreement which is commenced by any of the following: (1) any Attorney General or any regulatory agency of any state of the United States; (2) any U.S. Government department or agency; or (3) any governmental agency regulating business in any country in which Contractor is doing business. Except as otherwise required by law, Fund shall maintain the confidentiality of all such information until investigating entity makes the information public.

#### 31. Notice to Parties:

Whenever any notice, statement or other communication shall be sent to the Fund or Contractor, it shall be sent to the following address, unless otherwise specifically advised.

Notices to the Fund shall be sent to:

Craig Hartzer, Executive Director  
Public Employees' Retirement Fund  
500 Harrison Building  
143 West Market Street  
Indianapolis, IN 46204

Notices to the Contractor shall be sent to:

#### 32. Authority to Bind

Notwithstanding anything in this Agreement to the contrary, the signatory for the Contractor represents that he/she has been duly authorized to execute agreements on its behalf.

#### 33. Maintaining a Drug-Free Workplace

Contractor hereby covenants and agrees to make a good faith effort to provide and maintain during the term of this agreement a drug-free workplace, and that it will give written notice to the Fund within ten (10) days after receiving actual notice that an employee of Contractor has been convicted of a criminal drug violation occurring in Contractor's workplace.

In addition to the provisions of subparagraph a. above, if the total contract amount set forth in this agreement is in excess of \$25,000.00, Contractor hereby further agrees that this agreement is expressly subject to the terms, conditions, and representations contained in the Drug-Free Workplace Certification executed by Contractor in conjunction with this agreement.

It is further expressly agreed that the failure of Contractor to in good faith comply with the terms of subparagraph a. above, or falsifying or otherwise violating the terms of the certification referenced in subparagraph b. above, shall constitute a material breach of this agreement, and shall entitle the Fund to impose sanctions against the Contractor including, but not limited to, suspension of contract payments, termination of this agreement and/or debarment of the Contractor from doing further business with the Fund for up to three (3) years.

#### 34. Drug-Free Workplace Certification

This certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. Pursuant to its delegated authority, the Fund is requiring the inclusion of this certification in all contracts with and grants from the PERF in excess of \$25,000. No award of a contract shall be made, and no contract, purchase order or agreement, the total amount of which exceeds \$25,000, shall be valid unless and until this certification has been fully executed by the Contractor and made a part of the contract or agreement as part of the contract documents. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of contract payments, termination of the contract or agreement and/or debarment of contracting opportunities with the Fund for up to three (3) years.

The Contractor certifies and agrees that it will provide a drug-free workplace by:

Publishing and providing to all of its employees a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; and

Establishing a drug-free awareness program to inform employees that (1) the dangers of drug abuse in the workplace; (2) the Contractor's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace.

Notifying all employees in the statement required by subparagraph (a) above that as a condition of continued employment the employee will (1) abide by the terms of the statement; and (2) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;



Notifying in writing the Fund within ten (10) days after receiving notice from an employee under subdivision (c)(2) above, or otherwise receiving actual notice of such conviction;

Within thirty (30) days after receiving notice under subdivision (c)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) take appropriate personnel action against the employee, up to and including termination; or (2) require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency; and

Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (a) through (e) above.

**35. Minority and Women's Business Enterprise Compliance**

The Contractor agrees to comply fully with the provisions of the Contractor's MBE/WBE participation plans, and agrees to comply with all Minority and Women's Business Enterprise statutory and administrative code requirements and obligations, including IC 4-13-16.5 and 25 IAC 5.

The Contractor further agrees to cooperate fully with the Minority and Women's Business Enterprise division to facilitate the promotion, monitoring, and enforcement of the policies and goals of MBE/WBE program including any and all assessments, compliance reviews, and audits that may be required.

**36. Non-Collusion and Acceptance**

The undersigned attests under penalties of perjury that he is the contracting party, or that he is the representative, agent, member or officer of the contracting party, that he has not, nor has any other member, employee, representative, agent or officer of the firm, company, corporation or partnership represented by him, directly or indirectly, to the best of his knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he has not received or paid, any sum of money or other consideration for the execution of this agreement other than that which appears upon the face of the agreement.

The parties having read and understand the foregoing terms of the contract do by their respective signatures dated below hereby agree to the terms thereof, including, if this contract is in excess of \$25,000, the Drug-Free Workplace Certification.

**CONTRACTOR**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Attested By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**PUBLIC EMPLOYEES' RETIREMENT FUND**

\_\_\_\_\_  
Craig Hartzler, Executive Director

Date: \_\_\_\_\_